

RAIL INDUSTRIAL ACCESS PROGRAM (RIAP) POLICY AND PROCEDURES

Purpose

The North Carolina Department of Transportation (NCDOT) will help fund the cost of constructing rail tracks required to serve a new or expanding business as part of a statewide effort to attract new industry to North Carolina. The purpose of the program is to provide an incentive for companies to locate or expand in North Carolina rather than out of state. Funds should be applied for early, prior to making a location decision.

Eligible Recipients

Local governments, community development organizations, railroad companies, and industries are eligible for this program.

Eligible Projects

Funds may be used to construct or rehabilitate railroad spur or siding tracks.

Allocation of Funds

Recipients may receive a maximum 50% of total project costs up to \$200,000 (current maximum - subject to change).

Responsibility for Project Tracks

The grant recipient (or industry) shall be responsible for ownership and assume maintenance and liability for the project tracks.

Administration

The Rail Industrial Access Program is administered by the North Carolina Department of Transportation (NCDOT). The Rail Division of NCDOT reviews applications and makes funding recommendations to the North Carolina Board of Transportation (NCBOT).

Application

Applications for Rail Industrial Access funds are completed through the Rail Division Grants Management System and require a User ID and Password to access. Please fill out the [Rail Division System Access Authorization form](#) and return to Rail Security Coordinator Brian Gackstetter at begackstetter@ncdot.gov.

Railroad Commitment

The railroad company owning the main tracks to which a spur track is connected must agree to serve the industry and approve the track construction plans. A [Railroad Acceptance Form](#) can be found on the Rail Resources site.

Industry Commitment

The industry shall commit to a specific number of new jobs and to a specific level of rail usage during the first five years of operation. An [Industry Commitment Form](#) can be found on the Rail Resources site.

When project tracks are located in a municipality where the NCDOT has a Transportation Safety Plan, the industry shall accommodate it in their project planning.

County and City Resolution

The project shall be consistent with local land use and transportation plans. The County and City shall provide a resolution supporting the project. A [Resolution Support template](#) can be found on the Rail Resources site.

NCDOT Railroad Safety Pledge

The industry, EDC and local governments shall pledge to work with the NCDOT in a leadership role to make highway-rail improvements that address the safety needs of the public, contractors and employees. Forms for [Industry Safety](#) and [EDC safety](#) can be found on the Rail Resources site.

Property Easement Certification

The applicant shall certify that it has obtained all property easements necessary to allow access to the rail spur construction site and permit rail freight operations. A [Property Easement Certification form](#) can be found on the Rail Resources site.

Project Purchases and Cost Reimbursements

Project purchases are to be competitive and contracts must be awarded to the low bidder. All procurements are to be conducted in accordance with NC General Statute [143-129](#) or [143-131](#) (formal or informal). Please refer to the [Bid Procurement Requirements](#) document for more detail. To receive reimbursement the Grantee must submit a payment invoice after the project is completed and after the track is in revenue service.

Procurement Requirements	
State Funding	Bidding Requirement
>\$30,000	Materials or construction contracts - Informal
>\$90,000	Materials - Formal
>\$500,000	Construction - Formal

Professional Services Procurement

Requirements for professional services must be publicly announced and chosen from licensed consultants based on qualifications.

Reporting Requirements

For five years following project completion the grantee shall report rail use and employment to the Department.

Grantees that are private or nonprofit must report project activities and project expenditures annually (electronically) to the NC Office of Budget and Management at

<https://www.ncgrants.gov/>

A NCID (user ID and password) is required to access the grants system.

<https://ncid.nc.gov/login/login.html>

Contingent Interest

The grantee may be required to repay the NCDOT its contribution to the cost of construction and materials less depreciation if:

1. Rail use in the first five years falls below the commitment levels indicated in the application.
2. The project tracks are abandoned, relocated or sold.
3. Employment commitments in the first two years are not met

Project Selection Criteria

The following is required for NCDOT funding consideration:

1. Project Application
2. County/city support resolution
3. Industry commitment certification
4. Railroad commitment certification
5. Property easement certification
6. Industry Safety Pledge

The NCDOT will use the following criteria when evaluating rail industrial access applications:

Project Points	
Employment in the first 2 years of operations	
50-99 employees	4 pts.
100-199 employees	8 pts.
200-299 employees	12 pts.
300+ employees	16 pts.
Capital investment in the first 2 years of operations	
\$5-14 million	2 pts.
\$5-24 million	4 pts.
\$25-34 million	6 pts.
\$35 million +	8 pts.
Annual rail carloads	
50-199	2 pts.
200-349	4 pts.
350-499	6 pts.
500+	8 pts.
Distressed County of Appalachian Regional Commission eligible	
Yes	2 pts.
No	0 pts.
Shortline Preservation	

Yes	2 pts.
No	0 pts.

Points are awarded based on economic benefits. A minimum score of 8 points is required for project funding.

The percent of total project costs funded is based on the total points scored as follows:	
35+ pts.	50%
24-34 pts.	45%
16-23 pts.	40%
8-15 pts.	35%
Less than 8 pts.	Ineligible